**Illinois EE Stakeholder Advisory Group**

**Fuel Conversion Working Group**

**Policy Questions – Request for Responses (6/25/2021)**

**Instructions for Responding to Policy Questions:**

* Interested parties are requested to respond to policy questions no later than **Friday, July 9 –** send responses to Celia@CeliaJohnsonConsulting.com.
* Please provide responses **within this Word document.**
* The SAG Facilitator will organize responses to questions and circulate in advance of Meeting #6, scheduled on Thursday, July 15.

**Policy Questions for Discussion During July 15 Meeting**

* 1. Are savings constrained by the 10% limit in (b)25?
		1. Should discussion of this issue be paused due to pending energy bill? *Note: “Pausing” means keeping as a source calculation (current IL-TRM).*

Nicor Gas response:

Nicor Gas’ position has not changed since our initial position presented at the 4/26 meeting, i.e., since the references to site conversions in Section 8-103B(b-25) does not apply to fuel switching, then the 10% savings limit also does not apply.

That said, Nicor Gas supports pausing discussion on this issue, along with discussions related to site vs. source calculations for qualifying and quantifying fuel switching measures, and instead focusing discussions on limited technical issues including heat rate and CHP savings calculations.

* 1. Should eligibility be constrained to measures that provide customers monetary savings (either bill savings or total lifecycle cost savings)?

Nicor Gas response:

Nicor Gas’ position has not changed since our initial position presented at the 4/26 meeting when this issue was raised by NCLC, i.e., fuel switching should be limited to those applications that provide financial savings to customers. Nicor Gas defines financial savings as including utility bill savings, equipment/installation costs, and ongoing O&M costs.

That said, Nicor Gas supports pausing discussion on this issue, along with discussions related to site vs. source calculations for qualifying and quantifying fuel switching measures, and instead focusing discussions on limited technical issues including heat rate and CHP savings calculations.

* 1. Can the gas utilities claim kWh equivalent savings?
	2. Evaluation consideration: If SAG decides that gas conversion is allowed for fuel switching measures, can the same be allowed for other measures that have both fuel components?

Nicor Gas response:

If we maintain the current TRM approach with limited changes to the heat rate and CHP savings calculations, then this item should also be paused due to the pending energy bill.

* 1. If proposed legislation that adopts a site conversion for fuel switching in the electric EE statute is passed, should CHP also be calculated at site for consistency? *Note: Question raised by ICC Staff after 6/21 meeting.*

Nicor Gas response:

No. The most recent version of the Governor’s energy bill addresses only electrification. If that version of the energy bill does pass, it provides no direction for fuel switching measures like CHP that increase gas usage and decrease electricity usage.

Cost effective CHP reduces direct and indirect costs to consumers; decreases environmental impacts; reduces electric delivery load; and avoids or delay the need for new electric generation, transmission, and distribution infrastructure; all policies clearly stated by the legislature in enacting Sections 8-103B and 8-104 of the Public Utilities Act. Relying on site Btu conversions to qualify or quantify CHP measures and savings would impose restrictions that are inconsistent with these policy goals.